



Request for Proposals Bond Counsel

INTRODUCTION

Through this Request for Proposals (“RFP”), the Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) seeks proposals from qualified firms to provide legal services in support of RIHousing’s mortgage revenue bond programs.

INSTRUCTIONS

One (1) original and four (4) copies of the proposal should be submitted to RIHousing, 44 Washington Street, Providence, Rhode Island 02903-1721, Attn: Nicole R. Clement, General Counsel. Please also direct a courtesy copy by email to: nclement@rihousing.com. Proposals must be concise and include all requested attachments and certifications. Please limit your proposal to fifteen (15) pages, excluding requested attachments. Proposals must be presented on business letterhead.

Proposals must be received no later than 5:00 EST p.m. on Monday, November 20, 2017.

Respondents are advised that all submissions (including those not selected for engagement) may be made available to the public on request upon completion of the process and award of a contract(s).

SCOPE OF WORK

Please see the Scope of Work provided at Attachment A.

ITEMS TO BE INCLUDED WITH YOUR PROPOSAL

A. General Firm Information

1. Provide a brief description of your firm, including but not limited to the following:
 - a. Name of the principal(s) of the firm;
 - b. Name, telephone number and email address of a representative of the firm authorized to discuss your proposal;
 - c. Address of all offices of the firm; and

- d. Number of partners and associates in the firm. Please specify number of partners and associates in your firm's housing practice area.
2. Describe any relationships that you have with other law firms regarding proposed co-counsel relationships and/or fee splitting arrangements.
3. Describe the type and amount of professional liability insurance your firm carries. The firm must have in full force and effect professional liability insurance with an insurance company rated at least A- in Best's Guide in an amount not less than \$5,000,000, which liability insurance shall include specific coverage for practice in the field of securities law.

B. Experience and Resources

1. Describe your firm and its capabilities. In particular, support your capacity to perform the Scope of Work with reference to your firm's housing finance agency experience, whether as bond counsel, issuer's counsel, or underwriter's counsel, for the past two years. Please include the following information for each housing finance agency client:
 - a. Name of client;
 - b. Firm's role (bond counsel, issuer's counsel, or underwriter's counsel);
 - c. Number of years serving client;
 - d. Name(s) of partners responsible for client;
 - e. Number of bond issues in 2015 and 2016 for this client; and
 - f. Whether your firm was re-hired/not re-hired by this client in the past two years.

In addition, please provide a brief description of services or contributions your firm has provided to the people or State of Rhode Island in the past two years, including counsel relationships with State of Rhode Island departments, agencies, quasi-public entities, or public corporations.

2. Discuss the following:
 - a. Your firm's experience in obtaining clarification of the Internal Revenue Code and IRS regulations;
 - b. Your firm's recent experience in obtaining IRS rulings;
 - c. Your firm's ability to monitor and advise RIHousing on federal legislation that may impact agency operations;
 - d. Your firm's method of communicating changes in tax law and affordable housing law to your clients;
 - e. Your firm's suggestions to help RIHousing reduce the costs of issuing bonds;

- f. Your firm's suggestions for trainings that your firm would be available to provide or otherwise facilitate for RIHousing's Finance and/or Legal staff to develop agency expertise and effectiveness;
 - g. Your firm's use of technology as it may contribute to limiting costs of bond issuance; and
 - h. Your firm's approach to professional ethics in connection with public finance engagements. How does your firm handle actual or potential ethical problems that arise in the marketing and execution of your public finance business, including conflicts of interest? What process does your firm maintain to provide a consistently high standard of professional ethics?
3. Indicate which partners and associates from your firm would be involved in providing services to RIHousing. Provide appropriate background information for each such person (including any relevant books, publications, or professional presentations) and identify his or her responsibilities.
 4. Please include a list of at least three references from your housing finance agency clients, including contact names and telephone numbers.
 5. Identify any conflict of interest that may arise as a result of business activities or ventures by your firm and associates of your firm, employees, or subcontractors as a result of any individual's status as a member of the board of directors of any organization likely to interact with RIHousing.
 6. Identify any material litigation, administrative proceeding or investigation regarding your firm that is ongoing or has been settled or otherwise concluded during the past two years.
 7. Indicate whether your firm has any knowledge of any active investigations or criminal proceedings by the Securities and Exchange Commission or any other state or federal agency with regard to your public finance department members or practices. If so, please provide a brief description of such investigation and the name and phone number of a person from whom RIHousing may obtain more information.

C. Fee Structure

The cost of services is one of the factors that will be considered in awarding this contract. The information requested in this section is required to support the reasonableness of your fees.

1. Please provide a cost proposal for providing the Scope of Work at Attachment A. RIHousing is interested in considering proposals based on an hourly rate structure and a "per-transaction" structure. So that we can

evaluate these options, please specify the proposed hourly rate for the partners and associates to be assigned to RIHousing, as well as your proposed “per transaction” rate structure. If you propose different “per transaction” rates for different types of transactions (e.g., new indenture, existing indenture, new money transaction, refunding issue, multi-family issue) please be as specific as possible for each type of transaction.

2. Please provide an estimate of your firm’s fees and expenses under an hourly rate structure and a “per transaction” structure for each of the following types of transactions: a \$75,000,000 single family new money issue, a \$100,000,000 single family new money issue, a \$50,000,000 single-family note issue, a \$10,000,000 multi-family issue and a \$30,000,000 multi-family issue.
3. Provide an itemized breakdown of billing rates and hourly costs, list of key personnel and their hourly rates, reimbursable expenses, etc. for any services that may be requested in addition to the services previously described.
4. Please provide any other fee information applicable to the engagement that has not been previously covered that you wish to bring to the attention of RIHousing.

D. Miscellaneous

1. RIHousing encourages the participation of persons of color, women, persons with disabilities and members of other federally and State-protected classes. Describe your firm’s affirmative action program and other diversity activities. Include the number and percentage of members of federally and State-protected classes who are either partners or associates in your firm, the number and percentage of members of federally and State-protected classes in your firm who will work on RIHousing’s engagement and, if applicable, a copy of your Minority- or Women-Owned Business Enterprise state certification.
2. Discuss any topics not covered in this Request for Proposals that you would like to bring to RIHousing’s attention.

E. Certifications

1. RIHousing insists upon full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors. This law requires State Vendors entering into contracts to provide services to an agency such as RIHousing, for the aggregate sum of \$5,000 or more, to file an affidavit with the State Board of Elections concerning reportable political contributions. The affidavit must state whether the State Vendor (and any related parties as defined in the law) has, within 24 months preceding the date of the contract, contributed an aggregate amount in excess of \$250 within a

calendar year to any general officer, any candidate for general office, or any political party.

2. Does any Rhode Island “Major State Decision-maker,” as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a Five Thousand Dollar or greater cash interest in this business?

For purposes of this question, “Major State Decision-maker” means:

(i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;

(ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;

(iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase “executive or administrative head or heads” shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is “Yes,” please identify the Major State Decision-maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §§36-14-16, 17 and 18.

3. In the course of providing goods or services to RIHousing, the selected respondent may receive certain personal information specific to RIHousing customer(s) including, without limitation, customer names and addresses, telephone numbers, email addresses, dates of birth, loan numbers, account numbers, social security numbers, driver’s license or identification card numbers, employment and income information, photographic likenesses, tax returns, or other personal or financial information (hereinafter collectively referred to as the “Personal Information”). The maintenance of the Personal Information in strict confidence and the confinement of its use to RIHousing are of vital importance

to RIHousing. Please include a letter from your Chief Executive Officer or Firm Managing Partner certifying that, in the event your firm is selected:

(i) any Personal Information disclosed to your firm by RIHousing or which your firm acquires as a result of its services hereunder will be regarded by your firm as confidential, and shall not be copied or disclosed to any third party, unless RIHousing has given its prior written consent thereto; and

(ii) your firm agrees to take all reasonable measures to (a) ensure the security and confidentiality of the Personal Information, (b) protect against any anticipated threats or hazards to the security or integrity of the Personal Information, and (c) maintain reasonable security procedures and practices appropriate to your firm's size, the nature of the Personal Information, and the purpose for which the Personal Information was collected in order to protect the Personal Information from unauthorized access, use, modification, destruction or disclosure; and

(iii) when discarding the Personal Information, destroying it in a commercially reasonable manner such that no third party can view or recreate the information, electronically or otherwise.

These provisions, which implement the requirements of the Rhode Island Identity Theft Protection Act, R.I.G.L. § 11-49.2 et seq., will also be incorporated into the final engagement agreement with the selected respondent(s).

4. Please include a letter from your Chief Executive Officer or Firm Managing Partner certifying that (i) no member of your firm has made inquiries or contacts with respect to this Request for Proposals other than in an email or written communication to Nicole R. Clement, General Counsel, nclement@rihousing.com, seeking clarification on the Scope of Work set forth in this proposal, from the date of this RFP through the date of your proposal, (ii) no member of your firm will make any such inquiry or contact until after **November 20, 2017**, (iii) all information in your proposal is true and correct to the best of her/his knowledge, (iv) no member of your firm gave anything of monetary value or promise of future employment to a RIHousing employee or Commissioner, or a relative of the same, based on any understanding that such person's action or judgment will be influenced and (v) your firm is in full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

EVALUATION AND SELECTION

A selection committee comprised of RIHousing staff and one or more representatives of the agency's Board of Commissioners will review proposals. This selection committee will review all proposals meeting the minimum requirements of this RFP and select finalists. The selection committee may invite one or more finalists to make presentations. Cost, while an important consideration, is not the determining factor in the evaluation and selection. Proposals will be evaluated by the selection committee on a variety of factors including:

- Professional capacity to undertake the Scope of Work:
 - Experience and qualifications of both the firm and the staff to be assigned to RIHousing projects, as evidenced by education, professional licensing, and years of experience;
 - Availability of adequate personnel, equipment and facilities of the firm and ability to provide required services on a timely basis in light of the anticipated workload;
 - The firm's experience during the past two years as bond, issuer's, or underwriter's counsel on various housing and mortgage revenue bond financings;
 - Organization, size, and structure of firm;
- Projected costs and proposed fee structure;
- Previous work experience and performance with RIHousing and/or similar organizations;
- The firm's commitment to Rhode Island;
- Recommendations by references;
- Firm minority status and strength of the firm's affirmative action and diversity activities; and
- Other pertinent information submitted.

Following presentations, if any, the committee will make recommendations for engagement to the full Board of Commissioners. The Board is responsible for final selection. The Board will base its decision on the perceived need for bond counsel services, the demonstrated competence, experience, knowledge and qualifications of the offering firms, and on the reasonableness of the proposed fees for the services to be provided.

In its sole discretion, RIHousing may negotiate with one or more firms who have submitted qualifications to submit more detailed proposals on specific projects as they arise.

By this Request for Proposals, RIHousing has not committed itself to employ bond counsel for any or all of the above-described matters, nor does the suggested scope of services or term of agreement require that bond counsel should be employed for any of those purposes. RIHousing reserves the right to make those decisions after receipt of responses. RIHousing's decision on these matters is final.

RIHousing reserves the right to terminate its engagement of bond counsel if RIHousing believes that the selected firm is not rendering the appropriate services or if there is a change in the status of key partners or associates of the firm.

For additional information contact: Nicole R. Clement, General Counsel, nclement@rihousing.com.

Attachment A

Scope of Work

Rhode Island Housing and Mortgage Finance Corporation (“RIHousing”) is a public corporation and instrumentality of the State of Rhode Island, organized pursuant to chapter 55 of title 42 of the Rhode Island General Laws. Under its enabling legislation, RIHousing is empowered to provide financing to assist persons and families of low- and moderate-income obtain affordable housing, including through the issuance of taxable and tax-exempt debt to finance loans to homebuyers and developers, operation of a mortgage credit certificate program, participation in Section 8 and tax credit programs, and engagement in other types of financing activities. RIHousing seeks to engage one or more qualified law firms to provide specialized tax and bond counsel services related to the issuance of taxable and tax-exempt debt in support of the agency’s single-family and multi-family mortgage revenue bond programs. The selected firm(s) will also be called upon to provide counsel with respect to RIHousing’s mortgage credit certificate program. Detailed information regarding RIHousing’s single-family and multi-family mortgage revenue bond programs is available on EMMA.

The selected firm must have knowledge of, and expertise in, sophisticated financing structures, including direct experience with single-family mortgage revenue bond indentures, tax-exempt and taxable bond financing, tax treatment of variable rate and fixed rate debt of similar scale and size to the financings that comprise RIHousing’s portfolio. The selected firm(s) will be expected to advise with respect to the structuring of transactions, as well as offer tax, compliance, and regulatory guidance with respect to each financing and overall single-family program operations. The selected respondent(s) must have expertise in tax, regulatory and consumer banking areas sufficient to assist in the operation of the single-family mortgage revenue bond and mortgage credit certificate programs.

With respect to multi-family financings, the selected respondent(s) must have direct recent experience with bond transactions involving Section 42 low-income housing tax credits, rental housing bond financings, financings involving both tax-exempt and taxable bonds, federal housing subsidy programs, public bond sales involving original issue premium and discount, tax treatment of acquisition financing, treatment involving long-term management and short-term tax-exempt loans with banks, operating agreements and long-term restrictive covenants and other financing structures. The selected firm(s) must be capable of providing advice with respect to the structuring of transactions, and offer tax, compliance, and regulatory guidance with respect to each financing and overall multi-family program operations.

Services will entail expertise and proficiency in all aspects of complex and technical mortgage revenue bond financings; real estate matters; and security and tax compliance issues. Without limitation, these services will include: rendering the bond counsel opinion regarding the validity and binding effect of the bonds, the source of payment and security for the bonds, and excludability of interest on the bonds from gross income for federal tax

purposes; preparing and reviewing the documents necessary or appropriate to the authorization, issuance, sale, and delivery of the bonds; coordinating the authorization and execution of these documents; reviewing applicable enabling legislation; reviewing use of proceeds to ensure compliance with applicable state and federal laws and regulations, particularly arbitrage and rebate compliance; assisting RIHousing in seeking any governmental approvals, permissions, and exemptions necessary or appropriate in connection with the authorization, issuance, sale, and delivery of the bonds; reviewing legal issues relating to the structure of the bond issue; preparing election proceedings or pursuing validation proceedings; reviewing or preparing those sections of the offering document to be disseminated in connection with the sale of the bonds that relate to the financing documents, the bonds and their security, the bond counsel opinion, and matters of tax exemption and tax implications for the purchaser; assisting RIHousing in presenting information to and attending any meetings of approval boards and authorities, bond rating organizations and credit enhancement providers, as deemed necessary and related to legal issues affecting the issuance of the bonds; reviewing or preparing the notice of sale or bond purchase contract for the bonds and reviewing or drafting RIHousing's continuing disclosure undertaking; consulting with other parties and professionals engaged in the transaction; performing such other services as are typically provided or expected to be provided by bond counsel; and providing such other legal services as requested.

In addition to providing the above-described services and expertise relative to individual single-family and multi-family bond transactions, the selected firm must offer (i) the ability to anticipate regulatory and policy issues facing single-family and multi-family mortgage revenue bond programs, (ii) the ability to provide ongoing program compliance guidance, (iii) the capacity to respond expeditiously to RIHousing's legal and compliance inquiries, and (iv) expertise and capacity sufficient to represent the agency in the context of inquiries, audits, and investigations by the Internal Revenue Service or Securities and Exchange Commission.

RIHousing prefers to engage a firm or firms with the ability to advise the agency relative to the securitization of mortgage loans for eventual sale into the TBA market. Relatedly, from time to time, RIHousing may have need to negotiate or renegotiate a Master Securities Forward Transaction Agreement with an institution that invests in mortgage backed securities issued by the agency. RIHousing will give preference to those respondents that are familiar with the model form of agreement published by SIFMA and have the skills, expertise, and staff capacity necessary to assist with these contractual relationships.

The selected firm must have familiarity with RIHousing's financing programs and indentures, or demonstrate the ability to develop such familiarity in short order.